January 15, 1962

Mr. Michael S. Rice
President
Harvard Radio Broadcasting Co., Inc.

Dear Mike:

Apologies for not having written sooner but exams and term papers have interfered nicely with station obligations.

In answer to your proposal, it is my feeling that it is possible to base a budget on contractual income but I question in this case whether this is practical or desirable. A budget based purely on contractual income isn't realistic in that it doesn't take into account the many renewals and new contracts which are signed after the budget's date of approval. The majority of the renewals and new signings for the ~~new~~ year are known, to be sure, but these late aggreements and new "possibilities" have to be considered. Granted that these long shots don't always materialize, in retrospect I think you'll find that between 1/3 and 1/2 of them do. (Quite naturally all of us tend to think of the rosy prospects that don't.)

Yo

You mentioned that there was a loss of about $3400 in gross network billing for the fiscal year indicating a 6% reduction in the "Estimated Income", but neglected to add "so far." Bert informs me that the network is at present billing more than it did last year at this time, and that this excludes the "possibilities" for the Spring -- some of which, without being too optimistic, I think we can count on. These "possibilities", even though they are mere predictions, are necessary in the construction of a budget if it is to meet the standard definition, namely: a financial statement of estimated income.

In short, I am not pretending to wage a crusade on Ivy's behalf but I feel that not only should we as Directors rightfully investigate and question budgets and reports given us both at and between meetings, but also that in our considerations we should put a certain amount of trust in the first-hand information given us by the men who are closest to the facts at hand.

On a lighter vein, but still in the realm of business, we are currently discussing the possibility of getting an FM representative. I would be very interested in hearing from you or from someone at WHRB about the success you have had with yours -- commissions, etc. I have enclosed a sheet listing our new board which you can pass on to those who may be interested. I appreciated hearing from you about your stand on this matter and strongly encourage more such intra-station correspondance in the future.

John H. Davison
John H. Davison
Chairman, WYBC